



# MARCH 2004



## NEVADA ECONOMY IN BRIEF

The Nevada labor market saw little change in March. The statewide unemployment rate held steady at 4.4 percent. The state added 9,700 jobs over the month, in line with historical February to March gains. The construction industry remained the state's big job producer, adding 2,600 jobs in March and more than 10,000 in the past 12 months. The state has recorded over-the-year employment gains of at least four percent for four consecutive months. The Las Vegas metropolitan area has seen eight consecutive months with growth of four percent or more (*see chart below*).

The big news in March was that the national economy produced its largest employment gain in four years—308,000 jobs. The nation has added more than 750,000 jobs in the past seven months. Manufacturing sector employment was unchanged in March, the first time the sector has not lost jobs since mid-2000 (*see chart on Page 4*). Most other national economic indicators show that the U.S. economy is in full recovery. The Institute for Supply Management reports that manufacturing sector activity has increased for 10 consecutive months and service sector activity has been on the rise for a full year. Gross Domestic Product (GDP) is expected to increase at a four percent to five percent annual rate through the first half of 2004.

An improving national economy is generally a good sign for gaming and tourism, still the key to Nevada's overall economic success. The gaming returns in early 2004 seem to reflect the general economic improvement nationwide. Gross gaming win was 15.9 percent higher in February 2004 than in February 2003. While calendar quirks such as an extra day due to Leap Year and a February Super Bowl date contributed to the gain, the percentage increase was the largest since November 1999. Through the first two months of the calendar year, gaming revenues have increased a robust 9.8 percent compared to the same period in 2003.

White Pine County and the city of Ely received some exceptionally good news recently. Quadra Mining completed the purchase of the Robinson copper mine west of the city. The company could hire about 300 people and invest as much as sixty million dollars (\$60,000,000) to resume operations at the mine. Production could begin by late summer or early fall.

The state and national economic outlooks are the most favorable they have been in several years. The U.S. manufacturing industry, the Nevada tourism industry, and the mining industry all appear to have rebounded from their recent lows. Continued U.S. employment gains could help to lessen the potential threat of growing budget deficits by improving the revenue side of the ledger. Energy prices are likely to remain high due to increased worldwide demand, but the Consumer Price Index (CPI) is up only 1.7 percent overall in the past 12 months. The expected rise in interest rates later this year or in early 2005 is a reasonable reaction to an improving economy, and rates will still be near historically low levels.

OVER-THE-YEAR PERCENTAGE JOB GROWTH  
NEVADA, LAS VEGAS MSA & RENO MSA  
APRIL 2003 - MARCH 2004

